DC Consolidation

Munro O'Dwyer

Consolidation: International View

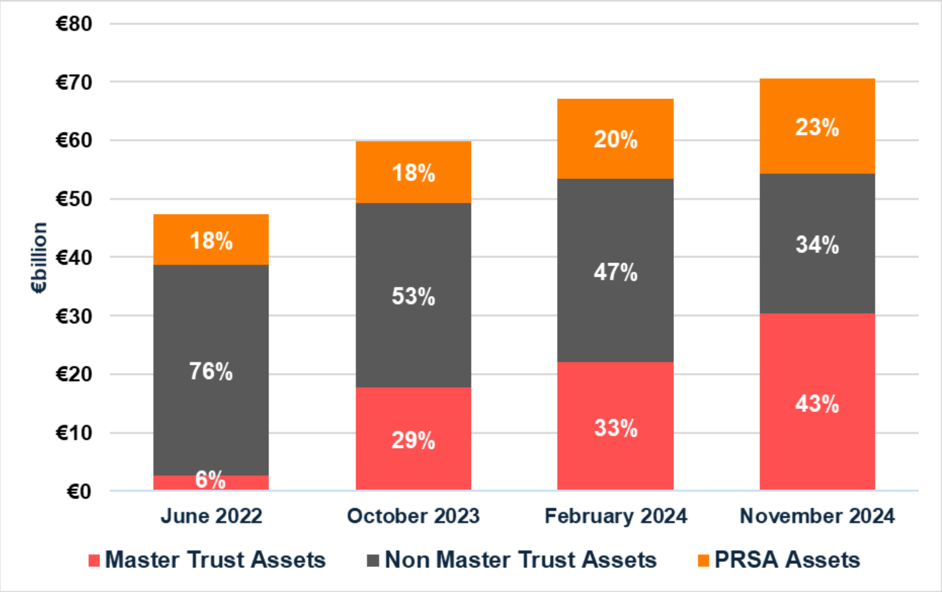
Country/Region	Pension Landscape	Master Trust Presence	Consolidation Impact
UK	Defined Contribution (DC) focus; regulatory push post-2015	Highly mature market with regulated Master Trusts	Significant consolidation of small DC schemes
Australia	Superannuation system; Strong roll-up funds	Emerging multi-employer funds with Master Trust characteristics	Gradual scheme consolidation
Netherlands	Defined Benefit (DB) + DC hybrid; pension funds dominant	Limited Master Trusts; consolidation more via mergers	Moderate consolidation via similar structures
Canada	Mix of DB and DC; pooled funds emerging	Growing pooled investment vehicles similar to Master Trusts	Increasing trend in scheme consolidation

Consolidation: Ireland

Since regulatory changes were introduced in Ireland in April 2021, DC pension consolidation and the growth of Master Trusts have been significant.

To date, the move to Master Trusts has been most focussed at the below €100 million scheme size - there are a growing number of larger pension schemes who have moved, with a number of schemes in the €500 million+ category.

The position held by Master Trusts has changed dramatically over the past number of years, and with this momentum carrying into 2025 Master Trusts are now approaching 50% of total defined contribution assets in the Irish market.



Ireland – what's next?

While the growth trend will continue, the potential is ultimately finite - particularly given that auto enrolment which is due to launch on 1 January 2026 is expected to take c. 800,000 participants out of scope.

To date there are no examples of Irish Master Trusts growing through the acquisition of other Master Trusts however this is likely to be a feature of the market in the coming years.

Key areas which will influence further consolidation:

- Regulatory pressure
- More comparison of pension scheme performance
- Introduction of in-scheme drawdown
- Costs and charges

Financial Services Industry

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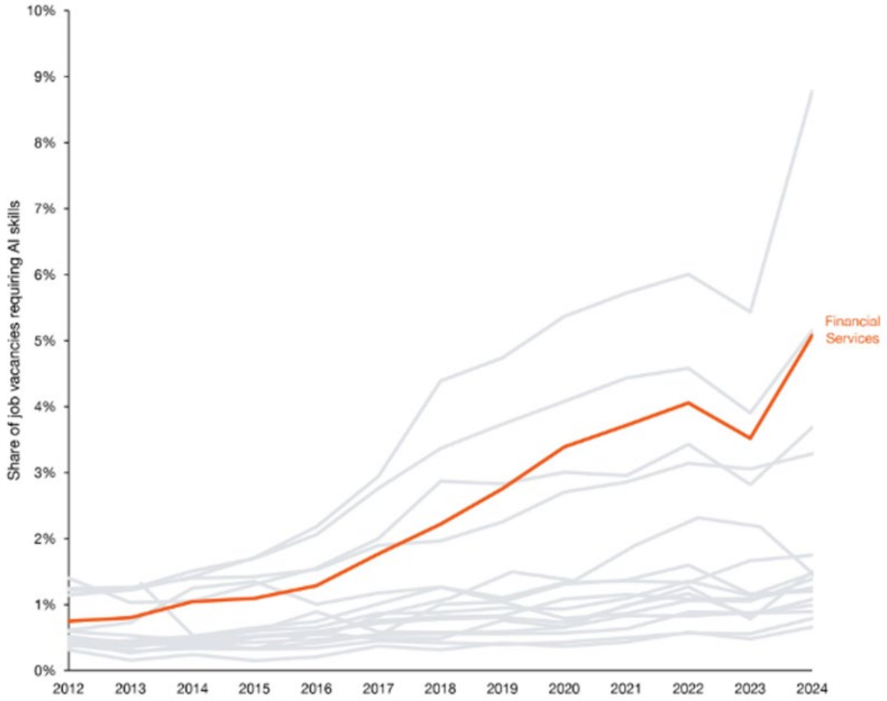
The Financial Services industry continues to be one of the largest employers of AI-skilled workers.

The graph to the right shows the share of job vacancies that require AI skills in the Financial Services sector over time, 2012 to 2024, selected countries. This is based on research carried out by PwC across several industries.

*Note that some countries only have data from 2018 or 2021 onwards. For consistency purposes, in this metric we only include the six countries that have full postings data from 2012 onwards: US, UK, Canada, Australia, New Zealand and Singapore.



Technology trends across Life and Pensions

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Best of breed platforms

Providers are opting for specialised best-of-breed platforms instead of a single all-in-one solution, enabling them to integrate top technologies and enhance performance and innovation.

High configuration and end to end automation

Providers can customise systems to their needs and automate processes, increasing efficiency, accuracy, and speed.

Event driven architecture

Providers use event-driven architecture with APIs and microservices to create modular, scalable, and responsive systems that enable real-time data processing and smooth integration with multiple applications..

Focus on customer experience

Providers modernise by integrating new technologies with legacy systems via APIs, delivering enhanced services, automation, and seamless end-to-end digital experiences for customers and partners.

Integrated AI / GenAI capabilities

Providers use AI and Generative AI to improve decision-making, risk assessment, and customer service by automating tasks, personalising interactions, and enabling growth through advanced analytics and predictive modelling.

Q&A